Federal Board Should Be Put in Full Charge, Is Belief of Economist.

ACT OF CONGRESS URGED

operation of Lines by U. S. Government Is Called Costly and Inefficient.

Victor Morawetz, an economist who s considered in the financial district to e ene of the foremost authorities in rate country on railway finance, has repared for private circulation a plan or a solution of the railway problem shich differs radically from the plan put forward by the Association of Railway Executives. A copy of the plan. eith an attendant analysis of the ratteav situation, was obtained vesterday THE SUN. The pamphlet follows:

Permanent Government operation of a railways would be contrary to the est interests of the country and should a rejected. It would result in unprorassive, costly and inefficient operation with poor service to the public and high

e capital necessary to the development the railways cannot be obtained unter any practicable system of Governsental rate fixing or regulation, unless oupled with some guarantee by the Government of fair returns on the investments. Security of railway investments annot be obtained by making the power the Government to fix rates or to reghate the railways depend upon the reasonableness, or "adequacy" of the ales or regulations, or upon the appliation of any formula that can be de-

### Tests Are Impractical.

eration of the rollways it is necessary to preserve the interest of stockholders

A proposal that the Government shall proximate prices at which a very small proximate prices at which a very small amount of the stocks and bonds can be eave existing bonds and stocks undisturbed, but shall place its guarantee from bonds and stocks hereafter issued with the approval of the Government for betterments and additions should be rejected for similar reasons. The practical effect of such a guarantee would be to make the Government responsible for all bonds and stocks equal to place in claim to those guaranteed by the Government.

The place it is guaranteed anything near their quoted prices. The cauched market prices of railroad stocks and bonds often are largely due to factors having little relation to the earning of the companies or to the true value of their properties.

In some cases bonds of railroad companies at their quoted market prices yield no larger returns than United States commerce and as military and States Government bonds, while in other cases equally well accured railroad bonds at their quoted market prices yield no larger returns than United States would have to pay just a return half again as large. Some rail-

would have to be paid in cash, railroad stocks upon which an equal; the owners should be willing to high return is earned. Government, through a condemnaceeding, can take a railway subits existing mortgages and inperty before anything is given to scholders. The Government can-nodern the bonds of a railway may apart from the property of the my and when the property of a may is condemned by the Governcannot prescribe the distribugagees and creditors.

Where Government Would Lave. which is outstanding bonds and other bediedness undisturbed, would not be it a tory to the Government, because or result would be to give to the hold of the outstanding bonds and other shiedness gratuitously a practical trantee of their claims, the Government falling to secure the benefit of the diag of interest which might be effectively of a condemn the property of a comparison of the property of a comparison of the compensation for the compensation of the compensation for the compensation for the compensation for the compensation of the compensation for the compensation for the compensation of the compensation for the compensation for the compensation for the compensation for the compensation of the compensation of the compensation for the compensation of the compensat Cases and indebtedness, leaving the dis-tribution of the compensation for the Property to be made according to the egal rights of mortgagees, creditors and great injustice to junior security beiders and stockholders.

## Results Expected From Plan.

plan herein proposed is designed. the following ultimate results: To vest the railways (taken in able groups) in ten to fifteen cored pursuant to an act hission nor any State commission has no stablish yet furnished any definite or practical

corporations to be free from State regulation but to be subject to the fullest regulation and control by suitable boards established by the Federal Government.
2. To refund the bonds and stocks

of the present companies by the issue of debentures and stocks of the new Federal corporations, these debenture to be guaranteed by the United States and the stocks to be guaranteed mini-mum dividends.

3. To provide the capital needed for the future development and extension of the railways. 4. To establish a Federal railway beard and suitable subsidiary boards for the effective regulation of the railways, with due regard for local in

and surrounding conditions. A railroad the courts of rates or regulations, a railroad researched by the Government furnishes to remedy scainst unwise or unfair regulation. The courts are not fitted to small amount of traffic or a railroad whose operating conditions are unfavor-inpervise the regulation of the railways or to determine the reasonableness of their rates.

## Would Depress Bond Prices.

is preserve the interest of stockholders and officers in the management of their properties.

As it would become necessary to issue ceed upon obtaining the assent of the vast amounts of Government bonds, their value would be greatly depressed and a should not be given gratuitously to the stiding security holders of the railway companies. Accordingly, a proposal that the Government shall guarantee to the railway companies perpetually or for a long term of years their average operating the new Government to bonds of a company. The butstanding bonds of a company. The butstanding bonds of a company. The butstanding bonds of a company of the magnitude of such a transaction, it could be carried out only through a concurrent shifting of investments, the owners of railway companies perpetually or for a long term of years their average operating the new Government to butson, the owners of the management of their vast amounts of Government bonds, their value would be greatly depressed and a bunds would not be assumed by the Federal control act, should be to present Federal control act, should be to present form assenting bondholders would not be improved.

In miost cases it would be safe to provate amounts of Government bonds, their value would be hears of the holders of an appropriation, and the bonds would be call on the bonds would be carried and a bond would not be assumed by the Federal control act are constructed. present Federal control act, should be to purchase other securities and property in the market and the sellers of the exsuch a guarantee would in effect be stilling securities and property investing the first of enormous value to the stock-helders and the junior bondholders of the proceeds in the new Government bonds. The probable result would be a the railway companies. Operating in-

Inited States would have to pay just a return half again as large. Some rations a return half again as large. Some rations are the compensation to the owners of the properties condemned and this just compenvery much higher than those of other

## Fair Way to Measure Value.

It is submitted that the only fair and its existing mortgages and inless. I. e. it can condemn the
of the stockholders. But even
forement can condemn a raitforement ca free and clear of existing mortand indebtedness, it cannot impair gate of mortgagees and creditors hald in full out of the proceeds of merty before anything is given to make the foreign the foreign and the bonds of a railway indemn the bonds of a railway. income at a f r rate, based on the rate of interes or profit payable to obtain capital and on any risks or un-certainties affecting the railroad and

of the proceeds among stockholders, its future operating income. The true operating income of a rail-road for the purpose of ascertaining the value is not the operating income shown under the rules of accounting prescribed by the Interstate Commerce Commission. ders of a railway company. Under these rules no deduction is made its outstanding bonds and other on account of certain expenditures which

## Courts Provide No Standard.

The operating income of the railways depends largely upon the rates which the Federal and State governments perrait them to charge. Unfortunately the courts have not yet furnished any definite or marties! standard for determining the limits of the constitutional mining the limits of the constitutional powers of the Federal and State gov-ernments to fix rates, and neither Con-gress for the Interstate Commerce Com-mission nor any State commission has

The plan is to west the railways from the feature efficient management and operation of the new pervision and columns of the Federal control of the plan are:

Difficulties in Plan.

The main difficulties of carrying out the plan are:

(a) To establish the fair value of an expectation of the several railway in distribute this plan are:

(a) To establish the fair value of an expectation of the several railway in guaranteed distributed an advantage at the several reproduction of the property of a company for the expectation of the teather of the property of a company for the property of a company for the property of the property in the property of the property of the property of a company for the property of the

to guarantee payment of \$2.50 per share, any distribution of income in excess of \$4 per share to be divided excess of \$4 per share to be divided between the Government and the shareholders and the Government to have an option to purchase the stock at any time at \$55 per share.

tallway thus acquired subject to out-standing bonded indebtedness, and if the property should not earn the interest on all outstanding bonds including these belders and the junior bondholders of the railway companies. Operating income guaranteed by the United States obviously is worth vastly more than operating income subject to the risks and uncertainties of the conditions affecting the railways.

Against Government Guarantee.

A proposal that the Government shall eave existing bonds and stocks undiscrete the conditions and stocks undiscrete the properties. These quoted prices of the united bonds including these in the treasury of the Federal corporation, the latter could foreclose the mortiums to the holders and a fall of the prices of Government bonds.

The quoted market prices of the stocks and bonds of the railway companies furnish no just measure of the value of their properties. These quoted prices of the unit properties along the foreclose the mortium to the holders and a fall of the prices of Government of the prices of the stocks and bonds of the railway companies furnish no just measure of the value of their properties. These quoted prices of the unit properties along the foreclose the mortium to the holders and a fall of the prices of Government of the prices of the stocks and bonds of the railway companies furnishes the property could be bought in by the Federal corporation to the property could be bought in by the Federal corporation. The properties of the stocks and bonds of the railway companies furnishes the property could be bought in by the Federal corporation to the property could be bought in by the Federal corporation to the property could be bought in by the Federal corporation to the property could be bought in by the Federal corporation to the property could be bought in by the Federal corporation to the property could be bought in by the Federal corporation to the property could be bought in by the Federal corporation to the property could be bought in by the Federal corporation to the property could be bought in by the Federal corporation to the property could be bought in the treasury of the stocks of the stocks and the property could be

The plan suggested is an act of Cor

gress to be passed conferring all powers required to carry out the following 1. A Federal rationar board to be cres-

# Don't Suffer From Piles

Send For Free Trial Treatment No matter how long or how bad - go to your druggist today and get a 60 cent box of Pyramid Pile Treatment. It



The Pyramid Smile From a Single Trial

will give relief, and a single box often cures. A trial package mailed free in plain wrapper if you send us coupon below. FREE SAMPLE COUPON PYRAMID DRUG COMPANY, 562 Pyramid Bldg., Marshall, Mich Kindly send me a Free sample of Pyramid Pile Treatment, in plain wrapter City..... State.....

HOTELS AND RESTAURANTS.

### THE LITTLE CLUB 44th Street Theatre Building Cooled by Perfumed Breezes.

NIGHTLY AT TEN O'CLOCK New York's Prettiest Hostesses. BILLIE HELEN MAXWELL CUISINE SPIENDID NO ADMISSION FEE CHARGED.

standard for determining what rates are ted with supreme power of regulation ject, however, to the supervision of the

exchange of their bonds and atouks for the Federal corporations, including power to require them to make any operation arrangements deemed desired in the interests of the whole countries.

Limitations Set on Issues.

The aggregate amount of debentures.

standard for determining what rates are reasonable and fair.

The resulting uncertainty has been the principal cause of the failure of the reduction of the red

Regulation Power in Board.

And stockholders for a transfer of the property of their company to a designated by the Federal Railway floars to have a transfer of the property of their company to a designated by the Federal Railway floars to have exchange of their bonds and stocks for be carried on through special tribunals

at any time at \$50 per share.

The distribution among the strategy of the stra

# ATTENTION! NO EXPENSE NOW is the time for you to decide where best to spend the Winter and Spring months, and

INVITES YOUR SERIOUS CONSIDERATION ONLY 90 MINUTES FROM NEW YORK-2 HOURS FROM PHILADELPHIA LAKEWOOD is surrounder by pine forests, the air has that alluring, puncent eder of balaam, and is form opportunity to enter outdoor storts all Winter. A beautiful take occupies the uter of the recent. It has one of the float 18 hole golf courses in the fast. Numerous his sources from abouting, community braids for horsecark miling, and splending taxes for motoring. LAKEWOOD

NEW JERSEY-Atlantic City.

VIRGINIA.

Find out difference in fares to the

OLD POINT COMFORT, VA.

AUGUSTA, GA.

A convenient and delightful place to spend your helidays thoud driving and metaring, excellent saddle horses, 2 golf courses and all outdoor sports.

Address C. G. TRUSSELL, Mgr.

FINEST RESORT HOTEL IN SOUTH THE DE SOTO GEORGIA.

Golf through the Winter, fa-Hole Course

NEW YORK .- Westchester.

HOTEL CHAMBERLIN Swimming Hour, Golf Sea-food Care for Every European Bath and Frenchest Write

LAKEWOOD fore among its residents and visitors many of the mation's most prominent families, YOU WILL FIND HERE HOTEL AND BOARDING ACCOMMODATIONS EQUAL TO PHOSE OF THE METHODOLIS ALSO PERSISHED COPPLIES FOR DESIGN OF YEAR

Exclusive Boys' and Girls' Private Schools LAKEWOOD IS THE NEAREST PROMI-NENT RESORT TO "CAMP DIX," at WRIGHTSTOWN, N. J.

WRIGHTSTOWN, N. J.

Being only 23 miles distant, with good automobile roads direct to the camp.

Henched by the Central Railroad of New Jersey.

Pales into Liberty Street, wordsys. 9 00 A. M. \*1 08, 110, 4 40, 500 P. M. Sundays 8 10, 10, 00 A. M. 2 30, 0 00 P. M.

Ten minutes earlier from West 23rd Street. \*Saturdays only WRI LEARN FROM Bunks." Address Town Clerk for free booklet of Lakewood, with complete list of hotels and hoarding houses. 

# Laurel in the Pines

Overlooking Lake Carasallo, in the midst of the LAKEWOOD, NEW JERSEY ERS A WEEK FOR OR SEASON SO-RINER ALL THE COMPORTS, CON-CIENCES AND CONTENTALMENTS A PRESENT DAY BOTCH. Room dances daily on nestral concerts office of G. A. Huhn & Sons, Brokers FRANK F. SHUIF, Mgr.

NEW JERSHY-Bounton. PUDDING STONE INN

### rier rains, our hour out. In hawanne N. VINCENT, BOSSESS, N. J. NEW JERSEY-Atlantic Cir.

Marlborough-Bienbeim Hotel Bon Air THE LEADING RESORT HOUSE OF THE WORLD
AT LANTIC CITY, N. J.

"THE NATION'S HEALTH SHIP"

MRALTH IS EPPIGIENCY
A Germicide Climate and Clican Streets.
No Dust. No Dirt. Innumerable Outdoor Recreasions and Indust Expertainments

Over-thig Mesopoment. JOSIAN WHITE SONS CO.

AHARLES ON THE OCEAN FRONT
Flever stories of real
Licomfort with an enviroument of district refine
ment without extravagance
AMISIKAN PLAN. AL WAYS OPEN
LITERATURE APOTEMBN AND LITERATURE APOTEMBN AND LITERATURE APOTEMBN ALECT

HOTEL RAMATAN Minutes from Grand Central, conveniences in the country, ster sports. Saturday dances, day concerts. 60 electric trains HOTEL GRAMATAN. ATLANTIC CITY, N. J.

FLORIDA. RAYMORE. ATLANTICCTY

### Florida's Most Attractive Resort WORLD'S GREATEST HOTEL SUCCESS HOTEL ROYAL PALM FORT MYERS On the beautiful Caloneghatchee River

Excelent Ix-hole Hoss golf course. Fine failing and hunting Tennis on hotel grounds. Motoring, taling vacture Sulphur samming mol orchestra. Elevator Superior culaire Accommodates 10 Every Room with Private Bath Open Jan. 41A. Rooklet an request J. L. NELSON, Manager. Ask Mr. Foster at the Loci & Taylor Store, 5th Ave. and 35th St. New York.

Hotel Royal Palmorphy Jan. 4th Fine 14 Heir Golf, Fishing, Swimming Poet, Every Room with Bath J. I. NELSON, Mg. THE WEST COAST OF FLORIDA
is the ideal winter resert. Its wooderful
climate enables the tourist to enjoy ourdoor sports throughout season. Address
Boards of Trade Hotels, etc. MANHATTAN HOTEL. Medern, high cites St. Petersburg, beautiful grounds,

DAYTONA, FLA. PIE 18 N 12 11 HOUSE SE WEST LES Prettiest Winter Resort in the World
MIAMI, PLA.
Tropical; surf bathing at 75 degrees: fine
hotels, write Chamber of Commerce for
Booklet.

MEW YORK-Westchester County. SKATING Gedney Farm Hotel WHITE BLAINS, N. Y.

EDWARD H. CRANDALL

After opening at an advance of 10 to 15 points on week-end covering, prices showed moderate declines in an empty market at the end of the first hour, but later, on trade support, advanced, clos-ing at net gains of 15 to 27 points. There was no change in the local spot

COFFEE MARKET.

Range of	prices :				FE
I	Open.	High.	Low	Close	dist
May	13.70	32.89	11.70	17,79.50	13.7
June		44.474	Very m	31,79.72	110.1
July		41111	1000	13,62,65	11.2
August			400.00	18,55,37	98.7
Sentenber.	17.45	13.50	12.42	17.44.50	18.3
October		40.00	V 111	10,49.42	13.2
November	46 95559		SECURI	13.33-37	17.5
December.				37,70 22	
January			****	10.71-27	13.1
Coffee ca					
Mail for N	The state of the s	a specia	MULTIN A	THE THE STATE	413
Receipts 2.	man ham	ACD ALL	to tarrects	milited at	1600
Santos spo					
bags and	In well	THUE OF	priced.	esteropes.	344,47
175 reis h					
15.000 bags					
two years					
50.000 and	17,090,	ntal Ju	mertary.	III.000, a	<b>新銀1115</b>
27,000 and					
BRAZ	LLIAN	COFFE	E ST	TISTICS	90

Saturday. 7.845 1,277 9.662 New York deliveries. New Orleans deliv. Total deliveries. New York stock

# Travel Without Trouble JAPAN—CHINA THE PHILIPPINES

are to-day the most attractive and fascinating lands for the traveler. Three comprehensive tours will leave the Pacific Coast during March, visiting each country at its most delightful season for travel, including Japan in "Cherry Blossom Time." Limited membership; highest class arrangements throughout.

### STEAMSHIP PASSAGES To Europe, South America, South Africa, Australia, China, Japan, etc. Official Agents for all Trans-Atlantic and Trans-Pacific

teamship Lines.

CALIFORNIA, FLORIDA AND ALL WINTER RESORTS Ti kets and Tours Everywhere. Pull an and Hotel accommodations reserved actsone. Complete information, timelibles, etc. Itineraries arranged.

THOS. COOK & SON



### AROUND PORTO RICO

Blue skies, sparkling seas-picturesque harbors and cities, inviting your exploration. Plan now to enjoy this unsurpassed winter voyage.

16-Day Cruise \$105.00 and all Expenses

PORTO RICO LINE

The steamer is your hotel for the entire trip to and around the island, stopping at principal ports and returning to New York

Goentoer . . . . . . . . . Jan. 27 Prinses Juliana ..... Feb. 5 Saxonia .....Feb. 12 Carmania ..... Feb. 17 Royal George..... Orduna . Feb. 26 HALIFAX TO LIVERPOOL

ADUITANIA

# Ward Line

NEW YORK TO LONDON

annonia Feb.

Feb. 1

steamers from New York to HAVANA WEFKLY SERVICE MEXICO FORTNICHTLY SERVICE

To Progreso, Vera Cruz and Tampier intally service to Names. New York and tuba Mail 8. . Co. Loot of Wall Street, New York.

THE PUBLIC BE PLEASED. COLONIAL LINE

BOSTON& BOAT \$4.40 PROVIDENCE DIRECT BOAT \$2.97 All Outside Staterooms, \$1.10 to \$3.34.
Above Prices include 11 at Pax.
Boat leaves Pier 3), North River, 12 Phone Spring 9431.

BOSTON Worcester, 15.57, Providence direct, \$2.55 STATEROOMS, \$1.00 and \$2.00.

Prom Pler 19, E. R. Phone 1700 Beek nas Fall River Line To BOSTON

TO BUSION

Street Port 14 N. R. R. Patien 21

ally at an 9 P. M. Massier

NEW TO BONONORW HILLS String.

NEW TO BONONORW HILLS STRING.

# HEIRS LOANS R. PERCY THOMPSON & CO.

PATENTS. PATENTS—Duck of the Highest sates, ences. Hert results. Principle as assured, WATSON E COLEMAN, Patent Lawrer, 624 F street, Washington, D. C.

ON VIEW MONDAY TO WEDNESDAY at the Galleries of the

# FIFTH AVENUE 333-341 Fourth Avenue Cor. 25th AUCTION ROOMS

+++

SALES BY AUCTION.

**Artistic Furniture** The property of several Prominent Individuals and Estates, including a superb Brawing Room Suite and Odd Pieces of the Louis XIV, XV & Renaissance Periods, also valuable specimens of Spanish and Italian Cabbetry, Carrara Marble Group by Professor Fraill, Acolian Orchestrelle with motor attached Chiseled Androns and Wall Brackets Value b. Oi Paintings

by Edwin Lord Weeks and Other Artists of Note. Oriental Carpets and Bugs of an perior quality and colorings. Also Modern Home Appointments including Boudoir Suits, upholstere, Davenports and Easy Chairs, heautifu Carved Teakwood Furniture, Hai Clock, Chinese Forcelains and man other objects for home use and adorn nent.
TO BE SOLD on Thursday, Fristo from two o'clock each day. HENRY A. MARTMAN, August

RELP WANTED-MALE.

### EXECUTIVES. IMPORT AND EXPORT BANK-

ING AND COMMERCIAL HOUSE WITH WORLD WIDE CONNEC-TIONS REQUIRES THE SER-VICES OF SEVERAL HIGH GRADE MEN CAPABLE OF HOLDING EXECUTIVE POSI-TIONS HOME AND ABROAD. APPLICANTS MUST POSSESS THOROUGH KNOWLEDGE OF GENERAL IMPORT AND EX-PORT BUSINESS. ONLY THOSE FULLY CONVERSANT WITH THIS BUSINESS NEED APPLY. APPLICANTS MUST ALSO BE THOROUGHLY FAMILIAR WITH BOTH SPANISH AND ENGLISH LANGUAGES; MUST BE COM-PETENT TO TAKE CHARGE OF OFFICE. THESE POSITIONS OFFER EXCELLENT OPPORTU-NITIES TO THE RIGHT MEN. REPLY IN CONFIDENCE, GIV-ING FULL PARTICULARS AS TO BUSINESS CAREER: STATE MARKETS MOST FAMILIAR WITH, CLASS OF MERCHAN-DISE HANDLED, ETC., ALSO GIVE AGE, NATIONALITY. S.

BOX 127 "SUN." LEADING secret society winds men to get members big money to big income scalaries or sevents. This Only South Nend, told STOCK ENUHANCE buse wants and to cashier in bond and steep must know Wall street buses in holds possellities for the rank and understands the meaning of your reality give full particulars as to one, salary expected &c. by letter box 127 Sin other SALESMEN Side In

HELP WASTED-PENALE EPH ST

SITUATIONS WANTED-MALE

BUSINESS OFFORTENHIES

INSTRUCTION. MUSICAL. NEW YORK AMERICAN

CONSERVATORY OF MUSIC

EXPERT INSTRUCTORS BRANCHES OF MUSIC

SEND FOR CATALOGUE